Canadian International Trade Tribunal

2007-2008

Departmental Performance Report

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Minister of Finance

Table of Contents

SECTION I—OVERVIEW **1**
1.1 Chairperson's Message 1
1.2 Management Representation Statement 2
1.3 Tribunal's Mandate 3
1.4 Program Activity Architecture 4
1.5 Challenges and Risks 4
1.6 Summary Table 6
1.7 Summary of Tribunal's Performance 7
1.7.1 Priority I: Process Cases Within Legislated Deadlines and Quality Standards 7
1.7.2 Priority II: Sound Management Practices 8
1.7.3 Priority III: Improve Service Delivery 10
1.7.4 Priority IV: Invest in its people 11

SECTION II—ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME **13**
2.1 Program Activity No. 1—Adjudication of Trade Cases 14
2.2 Program Activity No. 2—General Economic Inquiries and References 16

SECTION III—SUPPLEMENTARY INFORMATION **19**
3.1 Link to the Government of Canada Outcome Areas 19
3.2 Financial Tables 20

SECTION IV—OTHER ITEMS OF INTEREST **33**
4.1 Organizational Structure 33
4.2 Stakeholder Expectations 33
4.3 List of Legislation Governing the Work of the Tribunal 34
4.4 Tribunal Publications 34
4.5 Further Information 34

SECTION I—OVERVIEW

1.1 Chairperson's Message

As recently appointed Chairperson of the Canadian International Trade Tribunal (the Tribunal), I am pleased to present the Tribunal's *Departmental Performance Report* for fiscal year 2007-2008.

The Tribunal's priority remained the fair, timely and effective disposition of cases. As in previous years, the Tribunal issued all its decisions within the legislated deadlines and maintained its strong record in terms of its decisions being upheld by national and international appeal bodies, thereby continuing to play a key role in fostering a fair and secure marketplace for Canadians with regard to economic affairs.

The Tribunal was amongst the 17 organizations that participated in a Treasury Board Secretariat (TBS) strategic review of its funding and relevance, and of the performance of its program spending to ensure results and value for money, which is a priority for Canadians. The Tribunal dedicated significant effort and resources to the strategic review, while, at the same time, ensuring that it continued to meet its overarching priority of issuing quality decisions within legislated timelines. The strategic review sparked the onset of a re-visioning and re-alignment of the Tribunal's organizational structure as it began to adjust to a change in the number and mix of cases that is expected to continue in the years ahead. This transition, along with human resource pressures, impacted on the Tribunal's ability to achieve certain on-time performance expectations and called for the re-assessment of a number of priorities identified in the *2007-2008 Report on Plans and Priorities*.

The Tribunal completed a review of its operating and maintenance expenditures based on its Program Activity Architecture to strengthen the link between results and program spending. Work continued towards increasing the use of information technology to provide secure and efficient service delivery. There also continued to be a focus on learning and training for new and existing staff to ensure a more flexible and versatile workforce, thereby improving the Tribunal's capacity to respond to changes in the mix and number of cases, while maintaining the Tribunal's recognized expertise in its legislated field of activity.

In conclusion, I would like to take this opportunity to thank my predecessor, Mr. Pierre Gosselin, and to acknowledge his invaluable contribution and 10 years of commitment to the Tribunal. I would also like to recognize the efforts of the Tribunal's employees and thank each one of them for their continued support, dedication and hard work.

André F. Scott

1.2 Management Representation Statement

I submit, for tabling in Parliament, the 2007-2008 *Departmental Performance Report* for the Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports.*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Tribunal's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

André F. Scott
Chairperson

1.3 Tribunal's Mandate

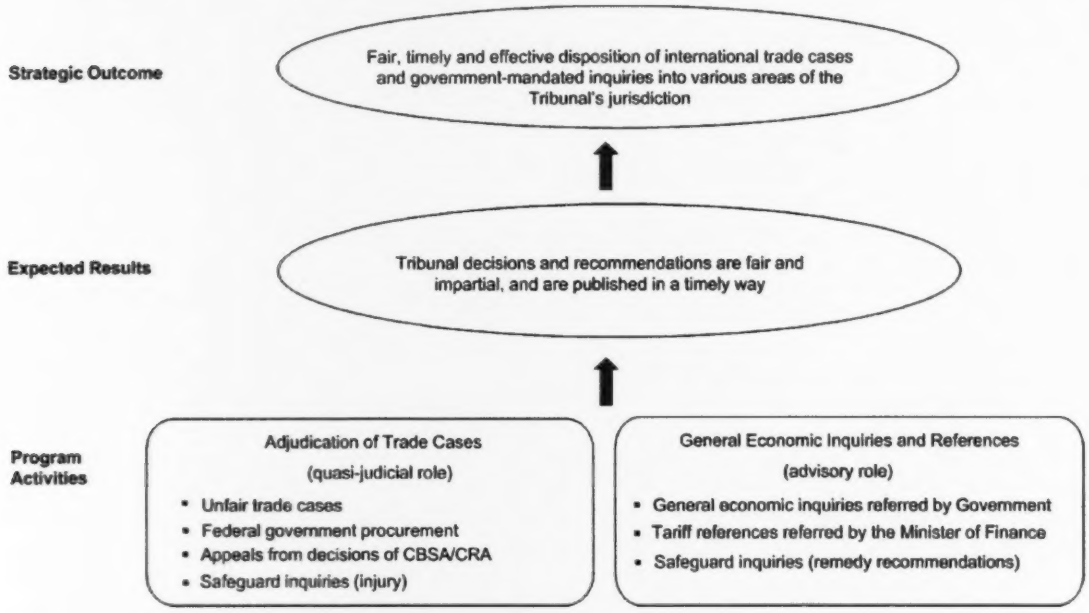
The Tribunal is an administrative tribunal operating within Canada's trade remedies system. It is an independent quasi-judicial body that carries out its legislated responsibilities in an autonomous and impartial manner and reports to Parliament through the Minister of Finance.

The main legislation governing the Tribunal's work is the *Canadian International Trade Tribunal Act* (*CITT Act*), the *Special Import Measures Act* (*SIMA*), the *Customs Act*, the *Excise Tax Act*, the *Canadian International Trade Tribunal Regulations* (*CITT Regulations*), the *Canadian International Trade Tribunal Procurement Inquiry Regulations* (*Regulations*) and the *Canadian International Trade Tribunal Rules* (*Rules*).

The Tribunal's primary mandate is to:

- inquire into whether dumped or subsidized imports have caused, or are threatening to cause, injury to a domestic industry;
- inquire into complaints by potential suppliers concerning federal government procurement that is covered by the *North American Free Trade Agreement* (*NAFTA*), the World Trade Organization (WTO) *Agreement on Government Procurement* (*AGP*) and Canada's own *Agreement on Internal Trade* (*AIT*);
- hear appeals from decisions of the Canada Border Services Agency (CBSA) made under the *Customs Act* and *SIMA* or of the Minister of National Revenue under the *Excise Tax Act*;
- conduct safeguard inquiries with respect to increased imports from the People's Republic of China (China);
- inquire into and provide advice on such economic, trade and tariff issues as are referred to the Tribunal by the Governor in Council or the Minister of Finance;
- investigate requests from Canadian producers for tariff relief on imported textile inputs used in production operations and to make recommendations to the Minister of Finance on the relative benefits to Canada of the requests; and
- inquire into complaints by domestic producers that increased imports from all sources are causing, or threatening to cause, serious injury to domestic producers.

1.4 Program Activity Architecture


Strategic Outcome
Fair, timely and effective disposition of international trade cases and government-mandated inquiries into various areas of the Tribunal's jurisdiction
Expected Results
Tribunal decisions and recommendations are fair and impartial, and are published in a timely way
Program Activities
Adjudication of Trade Cases
(quasi-judicial role)
• Unfair trade cases
• Federal government procurement
• Appeals from decisions of CBSA/CRA
• Safeguard inquiries (injury)
General Economic Inquiries and References
(advisory role)
• General economic inquiries referred by Government
• Tariff references referred by the Minister of Finance
• Safeguard inquiries (remedy recommendations)

1.5 Challenges and Risks

The Tribunal delivers essential trade adjudication services in an environment that is becoming increasingly complex and unpredictable. Specific challenges and risks faced by the Tribunal during fiscal year 2007-2008 included:

- **Ensuring Information Technology (IT) Availability and Reliability**
  Ensuring access to reliable IT continued to be crucial for the Tribunal in maintaining the quality of its findings, determinations and recommendations within prescribed deadlines. The integrity of the network environment, including the security environment, is assessed on an ongoing basis to ensure that it meets organizational needs and that it continues to conform to government-wide policies and standards. Furthermore, access to ongoing resources that are required to maintain the IT architecture and to provide service improvements is an ongoing priority. Recommendations were addressed with respect to technical issues identified in a previously conducted IT architecture review, but additional work is still required to fully develop and implement an IT strategy.

- **Maintaining Quality of Service and Meeting Legislated Timelines During Periods of Intense Workload**
  The Tribunal's caseload is externally generated, and cases must be processed as received, within strict legislated deadlines. Unpredictable case demands and case

bunching[1] can have a major impact on the Tribunal's resources. In recent years, a number of external factors relating to general economic conditions, industrial restructuring, the international trade environment and government actions have impacted on the number and mix of cases before the Tribunal. The Tribunal has been addressing these challenges by transitioning to a new business model to better align resources with its caseload and by implementing changes in its organizational structure and the management of cases to improve operational efficiencies. The re-alignment of the Tribunal's organizational structure, as it began to adjust to a change in the number and mix of cases that is expected to continue in the years ahead, along with staffing challenges, impacted on its ability to meet its legislated timelines and to manage workload.

- **Knowledge Transfer**
  The Tribunal's complex and unpredictable caseload requires a workforce with specialized skills, knowledge, flexibility and versatility. These qualities are usually acquired over a number of years. The challenge is to maintain continuity in the Tribunal's institutional knowledge. In 2007-2008, the Tribunal saw a higher than anticipated rate of staff turnover, which impacted on its on-time performance expectations in certain areas of its mandate. This placed constant pressure on it to recruit, train, retain and renew its human resources.

  To maintain its expertise, ensure a continuation of service and minimize the impact of staff turnover to the extent possible, staff was cross-trained to work in more than one mandate, thereby improving the Tribunal's capacity to respond to changes in the mix and number of cases. Also, timely access to orientation and training programs was offered to expedite the transfer of knowledge to new employees.

- **Maintaining Adequate Protection of Information in an Electronic Environment**
  Parties and their counsel expect that any confidential information that they file electronically or on paper will be adequately protected. The Tribunal continued to exercise extreme caution in the use and distribution of confidential information, given the serious and commercial harm that could be caused by inappropriate dissemination and use of such information. In responding to the demand for telework arrangements, new systems with up-to-date technology were implemented, providing staff with a secure network for remote access.

1. In other tribunals, such as courts of justice, cases can be put in a queue so as to ensure their orderly, more or less, serial disposition. Although this approach occasionally may delay individual cases, it does effectively and evenly allocate resources. By way of contrast, all the cases that the Tribunal adjudicates (except for appeals) must be completed within strict statutory or government-mandated deadlines. Therefore, the Tribunal has no option but to deal with the cases as they come in and to work on them in parallel. This can lead to "bunching" or peak workload situations, which impose great strain on its members, staff and other resources.

1.6 Summary Table

Reason for Existence

The Tribunal adjudicates international trade disputes by applying legal rules designed to ensure that imports compete fairly in the domestic marketplace, that government procurement is fair and that tariffs and border excise taxes are fairly applied. At the request of the Government, it provides advice on trade, economic, commercial and tariff matters. As an informal "court", the Tribunal is accessible to Canadian business and other parties and provides impartial and transparent decisions. It operates within strict deadlines to provide certainty in the marketplace.

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
10,682	**10,980**	**10,061**

Human Resources

Planned	Actual	Difference
94	78	16

Priorities

Priority	Type	Performance Status
1. Process Cases Within Legislated Deadlines and Quality Standards	Ongoing	Successfully met
II. Sound Management Practices	Ongoing	Successfully met
III. Improve Service Delivery	Ongoing	Successfully met
IV. Invest in its People	Ongoing	Successfully met

Program Activities by Strategic Outcome ($ thousands)

Strategic Outcome: Fair, timely and effective disposition of international trade cases and government-mandated inquiries in various areas of the Tribunal's jurisdiction.					
			2007-2008		
Program Activity	**Expected Result**	**Performance Status**	**Planned**	**Actual**	**Contributes to the Following Priority**
Adjudication of Trade Cases (quasi-judicial role)	Tribunal's decisions and recommendations are fair and impartial and published in a timely way.	Successfully met	**10,058**	**9,764**	All priorities
General Economic Inquiries and References (advisory role)		Successfully met	**624**	**297**	All priorities

1.7 Summary of Tribunal's Performance

The Tribunal's overarching priority for achieving its single strategic outcome continued to be the processing of cases and making sound decisions on matters that fall within its jurisdiction within legislated deadlines. In doing so, the Tribunal strived to ensure that its decisions and recommendations were fair, timely and based on quality information, thus contributing to a fair and secure marketplace in Canada.

In 2007-2008, supporting priorities continued to reflect several government-wide initiatives to be incorporated into the Tribunal's day-to-day management. These included the following program and management priorities: (1) sound management practices; (2) improved service delivery; and (3) investing in its people. The most significant initiative in connection with these supporting priorities was the Tribunal, led by TBS, participated in the strategic review of its spending to examine its effectiveness and opportunities for savings or reallocation.

1.7.1 Priority I: Process Cases Within Legislated Deadlines and Quality Standards

Last year, there was a change in the mix and number of cases. In particular, there was more activity in the Tribunal's procurement mandate, and additional resources were allocated to this work. There was also an unexpected increase in activity under the standing textile reference from the Minister of Finance.

In response to a change in the number and mix of cases, the Tribunal implemented modifications to its organizational structure and to the management of cases to ensure that all cases followed a more standard and timely process.

Overall, the Tribunal issued all its decisions within legislated deadlines and maintained its strong record in terms of its decisions being upheld by national and international appeal bodies. Most of the priorities identified in the 2007-2008 Report on Plans and Priorities were met. However, a number of plans were postponed, and some priorities were re-assessed and replaced to better respond to a change in the number and mix of Tribunal cases anticipated for 2008-2009. The Tribunal also experienced significant staffing challenges which led, in some instances, to on-time performance that did not equal that of earlier years.

1.7.2 Priority II: Sound Management Practices

Strengthening its practices in several areas pertaining to management and accountability continued to be a priority in 2007-2008. Specific priorities included the following:

- **Refining the Performance Reporting Framework**
  In 2007-2008, the Tribunal continued to refine its performance reporting framework and strengthen the link between results and program spending by aligning its framework with the common (government-wide) approach to collecting, managing and reporting both financial and non-financial performance information. The Tribunal developed a performance measurement framework, including a list of key performance indicators, to assess and report against its achievements towards intended results. An audit of the Tribunal's financial management framework conducted in 2006-2007 contained several recommendations that are being implemented and will strengthen comptrollership and oversight.

- **Integrated Business, Human Resources (HR) and IT Planning**
  The Tribunal improved its planning processes by integrating its ongoing HR, IT and business priorities. The 2007-2008 business planning exercise took into consideration recommendations with respect to technical issues from a previously conducted IT architecture review, a review of its HR function and an audit of its financial management framework in order to determine priority areas. HR plans were updated and aligned with overall business goals.

- **Ensuring Compliance with Government Security Policy**
  In 2007-2008, the Tribunal continued to take the necessary steps to comply with the government-wide Management of Information Technology Security (MITS) standard. Many identified gaps were addressed to ensure that appropriate safeguards are in place to preserve the confidentiality and availability of electronic information.

  The Tribunal also conducted several security awareness sessions to increase the level of awareness of employees concerning their day-to-day security responsibilities in the protection of sensitive information and assets.

Significant effort was dedicated towards the development of the Tribunal's Business Continuity Plan (BCP). The initial phase, completed in 2007-2008, included a business impact analysis that addressed all of the Tribunal's critical business functions and systems, as well as the development of a BCP governance policy. The BCP continues to be a priority for the Tribunal.

- **Leveraging Shared Service Arrangements**
  In 2007-2008, the Tribunal continued to meet and work with the Small Agency Administrators' Network to identify opportunities to improve the quality of internal services for managers and employees and to better support them in achieving their program goals. For example, the Tribunal participated throughout the year in a working group on reporting and accountability for small departments and agencies.

  The Tribunal was also an active member of the HR co-op team, a voluntarily organized group of HR representatives from departments and agencies that share a similar mandate, set of competencies and HR challenges. For instance, in 2007-2008, the Tribunal worked collaboratively with the HR co-op team to secure funding to develop a learning management framework across small departments and agencies, completed a joint position classification review and organized a number of information sessions and workshops for staff.

- **Strategic Review and Capacity Assessment**
  In 2007-2008, the Tribunal was amongst the 17 organizations that participated in strategic reviews led by TBS. The Tribunal took a comprehensive approach to the strategic review through an organization-wide capacity assessment that focused on value for money in carrying out its activities. As a result of this capacity assessment, the Tribunal identified savings through the better alignment of resources to projected future workloads, efficiency gains and not providing funding for certain types of cases, for example, occasional economic, trade, commercial or tariff references. The Tribunal began to adjust its organizational structure to a change in the number and mix of cases that is expected to continue in the years ahead. This transition, along with staffing pressures, impacted on the Tribunal's ability to achieve certain on-time performance expectations and called for the re-assessment of a number of priorities identified in the *2007-2008 Report on Plans and Priorities.*

- **A-Base Review of Operation and Maintenance (O&M) Expenditures**
  To facilitate future financial planning and to increase the accuracy and credibility of the costing approach of its internal services, in 2007-2008, the Tribunal conducted a review of its O&M expenditures based on its Program Activity Architecture. As a result, base O&M budget requirements were identified for each branch for a five-year planning horizon.

1.7.3 Priority III: Improve Service Delivery

Continuous improvement in service delivery remained a priority in 2007-2008. The Tribunal focused on enhancing the use of IT to provide better, faster and more efficient service delivery both internally and to parties and their counsel. Below are a few key projects.

- **Ensuring Optimum Performance of IT Architecture**
  Based on the results of an IT architecture review conducted in 2006-2007, the Tribunal implemented a number of service improvements to ensure that its existing IT architecture was keeping pace with its business needs, operating at optimum performance and conforming to government-wide policies and standards. For example, Web search capabilities were improved, and security performance was enhanced to ensure that the network environment continued to be secure and reliable for both in-house and remote users. Modifications continued to be made to conform to the new TBS Common Look and Feel Standard for the Internet; however, plans for restructuring the Tribunal's intranet site were postponed due to competing priorities.

- **Increased Use of Electronic Information**
  With a view to meeting the increased expectation across administrative tribunals for the electronic exchange of information and e-filing with parties, the Tribunal continued to fine tune the functionality and reliability of its Secure E-filing System and its ability to receive confidential information. It also continued to explore options to provide easier access and efficiencies that would enable interested parties to submit their completed case-related questionnaires online. These two initiatives were taken with a view to continuing along the path of eventually providing electronic access to counsel of all public and confidential case information. However, for the moment, as with most Tribunals where business confidential information is involved, the parties have so far, in the main, preferred to file paper documents.

  While most information filed with the Tribunal is business-related, on occasion, individuals may file a complaint or application containing personal information. The Tribunal made improvements to its procedures in 2007-2008 to take into account such occasions and to ensure that personal information is properly protected in accordance with the legal and internal government requirements.

- **Improved Internal Services**
  The Tribunal continued its efforts to implement the requirements of the TBS Policy on Information Management. In 2007-2008, the Tribunal initiated a project to implement a new records management system for corporate information that will include the management of corporate documents in both paper and electronic formats (excluding case files). Initial steps to developing a classification structure were completed, but further work is required in order to establish a common records classification structure.

- **Audio System for Hearing Rooms**
  In 2007-2008, the Tribunal replaced the outdated audio equipment in its hearing rooms with more up-to-date technology that would increase reliability and minimize the risk of hearings being disrupted by audio system malfunctions. Additional functionalities were also added to optimize interactivity and increase the system's adaptability and compatibility with systems utilized in courtrooms outside the Tribunal.

1.7.4 Priority IV: Invest in its people

In 2007-2008, the Tribunal gave priority to integrating the vision and intent of government-wide initiatives for HR modernization into its day-to-day operations. Specific supporting priorities included the following:

- **Reinforcing a Values and Ethics Culture**
  The Tribunal recognizes values and ethics as one of the pillars of management accountability and is committed to fostering a respectful workplace through the prevention and prompt resolution of harassment and conflict.

  Following consultations between Tribunal management, employees and union representatives, the Tribunal implemented an Informal Conflict Management System (ICMS), and senior ICMS officers were selected and trained. The program was introduced at the Tribunal's annual retreat in October 2007, and an ICMS policy and guideline were published on the Tribunal's intranet. Also, in the fall of 2007, through the Canada School of Public Service, the Tribunal arranged for a mandatory one-day in-house training session for all employees on the topic of creating a respectful workplace. The Tribunal also designated a values and ethics champion who provided training to raise the awareness of employees on that subject and to guide them in their day-to-day professional activities. Consultations were initiated with employees on a proposed new Policy on Internal Disclosure of Information Concerning Wrongdoing in the Workplace.

- **Improving Recruitment and Retention**
  In 2007-2008, the Tribunal addressed concerns raised by employees in the 2005 Public Service Employee Survey, and training and developmental opportunities were offered.

- **Implementing a Learning Strategy**
  In 2007-2008, the Tribunal secured funding, as a member of the HR co-op team, through the *Public Service Modernization Act* Strategic Investment Framework (SIF) fund to develop and implement a collaborative learning management framework across small departments and agencies to address common learning and knowledge management needs. An internal learning policy will be developed once the collaborative learning management framework is in place.

  To ensure the continual transfer of institutional knowledge and values to new staff, the Tribunal continued to develop and deliver in-house training seminars and programs, a virtual library of in-house training seminars and other training materials.

With the changes made to its organizational structure, management and staff are required to work in more than one area of the Tribunal's mandate and must respond effectively to fluctuations in the timing, number and mix of cases. Tribunal staff are being cross-trained, allowing them to move seamlessly between the Tribunal's different activities.

SECTION II—ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

The Tribunal's single strategic outcome is the fair, timely and effective disposition of international trade cases and government-mandated inquiries in various areas of the Tribunal's jurisdiction.

The Tribunal has two program activities that contribute to this strategic outcome: the adjudication of trade cases (**quasi-judicial role**) and general economic inquiries and references (**advisory role**).

Adjudication of trade cases (quasi-judicial role) includes:

- Unfair trade cases—inquiries under *SIMA* into whether dumped[2] or subsidized[3] imports have caused or are threatening to cause injury to a Canadian industry
- Bid challenges—inquiries into complaints by potential suppliers concerning federal government procurement under *NAFTA*, the *AIT* and the *AGP*
- Appeals of decisions of the CBSA under the *Customs Act* and *SIMA* or of the Minister of National Revenue under the *Excise Tax Act*
- Safeguard cases—inquiries into whether a rapid build-up of imports from around the world, or from China, is causing injury to a Canadian industry

General economic inquiries and references (advisory role) include:

- Tariff and general economic inquiries referred by the Government—inquiries and advice on such economic, trade and tariff issues as are referred to the Tribunal by the Governor in Council or the Minister of Finance
- Standing textile reference from the Minister of Finance—investigations into requests from Canadian producers for tariff relief on imported textile inputs that they use in their production
- Safeguard cases—where the Tribunal finds serious injury to a Canadian industry, the Governor in Council may request it to recommend appropriate measures for dealing with increased imports

Described below is an analysis of each program activity's associated resources in support of the strategic outcome and the performance result against related key performance indicators.

2. "Dumping" refers to goods sold by foreign exporters in the Canadian market below their normal selling price.
3. "Subsidizing" occurs when goods imported into Canada benefit from specific foreign government financial assistance that is not generally available under normal market conditions.

2.1 Program Activity No. 1—Adjudication of Trade Cases

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
10,058	10,376	9,764

Human Resources (FTE)

Planned	Actual	Difference
88	75	13

Expected Result for Program Activity No. 1: Tribunal decisions are fair, impartial and published in a timely manner.

Key performance indicators

- **Tribunal decisions are upheld by national and international appeal bodies**
  Whether or not the Tribunal delivers on its legislated strategic outcome with the expected result is a question that, in the final analysis, is almost exclusively left to the courts to determine. In rare cases, binational or multilateral panels convened under international law decide the issue. In 2007-2008, the Tribunal maintained its strong record in terms of its decisions being upheld on judicial review and issued within legislated deadlines.

  In 2007-2008, there were 126 cases that were subject to judicial review or appeal. A case could be subject to more than one judicial review or appeal. Of the 126 cases, 22 judicial reviews or appeals were requested, which related to 18 Tribunal cases, 5 of which were withdrawn or discontinued, 4 were dismissed and 1 was allowed. There were 12 applications for judicial review or appeals pending as of March 31, 2008, which related to 10 Tribunal cases. There have been no applications by parties for review of Tribunal decisions before binational panels or the WTO dispute settlement panel in the last three fiscal years. The following table shows the pattern of applications and disposal of requests for judicial review or appeals over the past three fiscal years. In summary, the Tribunal maintained its strong record in terms of its decisions being upheld by national and international appeal bodies.

Tribunal Cases Subject to Judicial Review or Appeal*			
	2005-2006	**2006-2007**	**2007-2008**
Tribunal cases subject to judicial review or appeal	173	118	126
Action of Parties:			
Applications for judicial review or appeals filed (no. of Tribunal cases to which the applications relate)	21(19)	21(19)	22(18)
Applications for judicial review or appeals withdrawn or discontinued (no. of Tribunal cases to which the applications relate)	11(7)	6(5)	5(4)
Court Action:			
Applications for judicial review or appeals dismissed (no. of Tribunal cases to which the applications relate)	6(5)	10(13)	4(5)
Applications for judicial review or appeals allowed but not remanded (no. of Tribunal cases to which the applications relate)	1(2)	1(1)	1(1)
Applications for judicial review or appeals allowed and remanded (no. of Tribunal cases to which the applications relate)	2(2)	3(1)	—
Cases Pending:			
Applications for judicial review or appeals pending (no. of Tribunal cases to which the applications relate)	1(4)	1(1)	12(10)
* For the purpose of this table, cases are all decisions and reports issued including decisions not to initiate. The number of cases corresponds to that of the caseload table found in the Tribunal's Annual Report and excludes withdrawals.			

- **Decisions were issued within legislated deadlines**
  The Tribunal's decisions regarding unfair trade cases (*SIMA* decisions) and federal government procurement complaints are subject to legislated deadlines. An indication that the Tribunal's decisions are timely is the percentage of decisions issued within these deadlines. In 2007-2008, 35 decisions were issued covering these two areas of the Tribunal's mandate, including 12 *SIMA* decisions and 23 procurement complaint decisions, which included a procurement compliant case that was remanded by the Federal Court of Appeal. The Tribunal met its target, and all decisions were issued within the legislated deadlines.

In 2007-2008, the Tribunal's *SIMA* decisions with respect to dumping and subsidizing were all completed on time and within the legislated deadlines. Two preliminary determinations of injury were issued, two findings were issued, two interim review orders were issued, three decisions relating to expiries were issued, and three expiry review orders were issued.

Within the dumping and subsidizing mandate, the Tribunal issued 10 statements of reasons in 2007-2008. Six statements of reasons were issued in both official languages simultaneously.

Within the procurement mandate, 22 statements of reasons providing the Tribunal's detailed judgments were issued, of which 11 were issued after the decisions. In all cases where only the decision was issued with reasons to follow, it was issued in both official languages simultaneously. The translated versions of the statements of reasons were issued within 30 days after the statements of reasons in the original language in all cases, except one.

For both *SIMA* and procurement cases in 2007-2008, the Tribunal's on-time performance did not equal that of earlier years with regard to issuing statements of reasons for procurement cases and issuing translations. This variance is attributed to a change in the number and mix of cases, as well as to staffing challenges.

- **Appeal cases issued within internal deadlines**
  There is no legislated deadline imposed for decisions on appeals of decisions of the CBSA or of the Minister of National Revenue. However, the Tribunal has adopted an informal, voluntary internal standard of issuing such decisions within 120 days of the hearing of an appeal. Of the 23 appeal decisions issued in 2007-2008, 7 were published within the voluntary time frame, signifying a variance from the previous fiscal year. Moreover, the average time between the hearing and the decision has increased, from 104.8 days in 2006-2007 to 151.7 days in 2007-2008. This variance is attributed to a change in the number and mix of cases, as well as to staffing challenges.

2.2 Program Activity No. 2—General Economic Inquiries and References

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
624	604	297

Human Resources (FTE)

Planned	Actual	Difference
6	3	3

Expected Result for Program Activity No. 2: Recommendations are fair, impartial and published in a timely manner.

Key performance indicators

- **Reports, determinations and recommendations are issued within government-mandated deadlines**
  Tribunal recommendations regarding general economic, trade and tariff references are subject to government-mandated deadlines; however, the Tribunal received no such references during 2007-2008.

  There is no statutory or government-mandated deadline imposed for tariff recommendations pursuant to cases filed under the standing textile reference from the Minister of Finance. However, the Tribunal has established a voluntary standard of 120 days from the commencement of its investigation for issuing its recommendation to the Minister of Finance. During 2007-2008, the Tribunal begun investigations with regard to 8 requests under the standing textile reference and issued 4 recommendations for tariff relief, including reasons, to the Minister of Finance, 2 of which were issued within the voluntary time frame established by the Tribunal. Due to staffing issues, the Tribunal was less successful than in previous years in its on-time performance for issuing its textile recommendations.

- **Tribunal recommendations were accepted and implemented by the Government**
  An indication that the Tribunal's recommendations meet the business requirements of the Government is the extent to which the Government implements the recommendations of the inquiries and references. Recommendations are typically implemented through changes to the *Customs Tariff*. During the fiscal year, the Tribunal made four recommendations, two of which were accepted by the Government and two of which were still under consideration at the end of the fiscal year.

  More detailed information on the Tribunal's caseload can be found in the Tribunal's annual report, which is available at www.citt-tcce.gc.ca/publicat/index_e.asp.

SECTION III—SUPPLEMENTARY INFORMATION

3.1 Link to the Government of Canada Outcome Areas

The Tribunal's single strategic outcome is the fair, timely and effective disposition of international trade cases and government-mandated inquiries in the several fields in which the Tribunal has been given jurisdiction. It contributes to the achievement of the Government of Canada's goal for "a fair and secure marketplace" through:

- Access to impartial and timely processes for the investigation of complaints;
- The protection of businesses in Canada against unfair or injurious import competition;
- The promotion of integrity and fairness in government procurement;
- The fair application of tariffs and border excise taxes; and
- Reliable economic and trade analysis and advice to the Government.

The table below illustrates how the Tribunal's program activities are linked to the Government of Canada outcome areas, as defined by the Whole-of-Government Framework.

Strategic Outcome: Fair, timely and effective disposition of international trade cases and government-mandated inquiries in various areas of the Tribunal's jurisdiction				
Program Activity	**Actual Spending 2007-2008**			**Alignment to Government of Canada Outcome Areas**
	Budgetary	**Non-budgetary**	**Total**	
1. Adjudication of Trade Cases (quasi-judicial role)	9,764		9,764	Fair and secure marketplace
2. General Economic Inquiries and References (advisory role)	297		297	Fair and secure marketplace
Total	**10,061**		**10,061**	

3.2 Financial Tables

Table 1: Comparison of Planned and Actual Spending
(including FTEs)
($ thousands)

	2005-2006 Actual	2006-2007 Actual	2007-2008			
			Main Estimates	Planned Spending	Total Authorities	Actual
Adjudication of trade cases	8,927	9,494	10,058	10,058	10,376	9,764
General economic inquiries and references	1,654	206	624	624	604	297
Total	**10,581**	**9,700**	**10,682**	**10,682**	**10,980**	**10,061**
Less: Non-respendable revenue	-	-				
Plus: Cost of services received without charge	2,407	2,446	2,415	2,415	2,415	2,392
Total Tribunal Spending	**12,988**	**12,146**	**13,097**	**13,097**	**13,395**	**12,453**
FTEs	**85**	**84**	**94**	**94**	**94**	**78**

Table 2: Voted and Legislated Items
($ thousands)

		2007-2008			
Vote or Legislated Item	Truncated Vote or Legislated Wording	Main Estimates	Planned Spending	Total Authorities	Actual
20	Operating Expenditures	9,306	9,306	9,857	8,938
(S)	Contributions to Employee Benefit Plans	1,376	1,376	1,123	1,123
(S)	Spending of Proceeds from the Disposal of Surplus Crown Assets				
	Total	**10,682**	**10,682**	**10,980**	**10,061**

For further financial statements, go to www.citt-tcce.gc.ca/publicat/index_e.asp

Financial Statements

Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008, and for all information contained in these statements rests with the Tribunal's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Tribunal's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the Tribunal's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide a reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Tribunal.

The Tribunal's financial statements have not been audited.

André F. Scott
Chairman

Sylvie Mercier
Senior Financial Officer

Ottawa, Canada

July 7, 2008
Date

CANADIAN INTERNATIONAL TRADE TRIBUNAL
Statement of Operations (Unaudited)
For the year ended March 31
(in thousands of dollars)

	2008	2007
Expenses		
Salaries and employee benefits	8,160	8,952
Accommodation	1,891	1,877
Professional services	919	740
Transportation	196	101
Acquisitions of equipment	189	112
Repairs and maintenance	174	139
Materials and supplies	158	161
Telecommunication	109	104
Information	48	52
Amortization	26	21
Other	19	17
Total expenses	**11,889**	**12,276**
Revenues		
Other revenue	1	1
Total revenues	**1**	**1**
Net cost of operations	**11,888**	**12,275**

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERNATIONAL TRADE TRIBUNAL
Statement of Financial Position (Unaudited)
At March 31
(in thousands of dollars)

	2008	2007
Assets		
Financial assets		
Accounts receivable (Note 6b)	276	253
Non-financial assets		
Tangible capital assets (Note 4)	343	53
Total	**619**	**306**
Liabilities		
Accounts payable and accrued liabilities	1,149	830
Vacation pay and compensatory leave	351	493
Employee severance benefits (Note 5b)	1,322	1,438
Total	**2,822**	**2,761**
Equity of Canada	**(2,203)**	**(2,455)**
Total	**619**	**306**

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERNATIONAL TRADE TRIBUNAL
Statement of Equity of Canada (Unaudited)
For the year ended March 31
(in thousands of dollars)

	2008	2007
Equity of Canada, beginning of year	**(2,455)**	**(2,413)**
Net cost of operations	(11,888)	(12,275)
Current year appropriations used (Note 3)	10,061	9,700
Revenue not available for spending	(1)	(1)
Change in net position in the Consolidated Revenue Fund (Note 3)	(312)	88
Services received without charge from other government departments (Note 6a)	2,392	2,446
Equity of Canada, end of year	**(2,203)**	**(2,455)**

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERNATIONAL TRADE TRIBUNAL
Statement of Cash Flow (Unaudited)
For the year ended March 31
(in thousands of dollars)

	2008	2007
Operating activities		
Net cost of operations	11,888	12,275
Non-cash items		
Amortization of tangible capital assets	(26)	(21)
Services received without charge from other government departments (Note 6a)	(2,392)	(2,446)
Variations in statement of financial position		
Increase in liabilities	(61)	(240)
Increase in receivables	23	194
Cash used by operating activities	**9,432**	**9,762**
Capital investment activities		
Acquisition of tangible capital assets	316	25
Financing activities		
Net cash provided by Government of Canada	**(9,748)**	**(9,787)**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

(1) Authority and Objectives

The Tribunal's objectives are to ensure that Canada can rely on a fair and efficient trade remedies system and that the Government of Canada, through the Tribunal's fact-finding inquiries and standing references, can formulate strategies aimed at making Canadian producers more competitive in the global trade environment.

The Tribunal operates under the authority of the *Canadian International Trade Tribunal Act.* It is also governed by the following statutes, regulations and rules: *Customs Act, Excise Tax Act, Special Import Measures Act, Energy Administration Act, Canadian International Trade Tribunal Regulations, Canadian International Trade Tribunal Procurement Inquiry Regulations* and *Canadian International Trade Tribunal Rules.*

(2) Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

The significant accounting policies are as follows:

(a) Parliamentary appropriations—The Tribunal is financed by the Government through Parliamentary appropriations. Appropriations provided to the Tribunal do not parallel financial reporting according to generally accepted accounting principles. They are based, in large part, on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net cash provided by the Government—The Tribunal operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Tribunal is put into the CRF, and all cash disbursements made by the Tribunal are paid from the CRF. The net cash provided by the Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the federal government.

(c) The change in net position in the CRF is the difference between the net cash provided by the Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Tribunal. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues—These are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses—These are recorded when the underlying transaction or expense occurred, subject to the following:

(i) Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment; and

(ii) Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, and legal services are recorded as operating expenses at their estimated cost.

(f) Future employee benefits

(i) Pension benefits—Eligible employees participate in the Public Service Superannuation Plan, a multi-employer plan administered by the Government. The Tribunal's contributions to the Plan are charged to expenses incurred in the year and represent the Tribunal's total obligation to the Plan. Current legislation does not require the Tribunal to make contributions for any actuarial deficiencies of the Plan.

(ii) Severance benefits—Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables are amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Foreign currency transactions—Transactions involving foreign currencies are converted to Canadian dollar equivalents using rates of exchange in effect at the time of those transactions.

(i) Tangible capital assets—All tangible capital assets having an initial cost of $5,000 or more are recorded at their acquisition costs. The Tribunal does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, or assets located on Indian reserves and museum collections.

Amortization of capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

Asset class	Amortization period
(1) Computer equipment	5 to 15 years
(2) Machinery and equipment	5 years

(j) Measurement uncertainty—The Tribunal prepares its financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, that require

management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believed the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits, vacation pay and compensatory leave and the useful life of tangible capital assets. Actual results could differ from those estimated. The estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year in which they become known.

(3) Parliamentary Appropriations

The Tribunal receives most of its funding through annual parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through parliamentary appropriations in prior, current or future years. Accordingly, the Tribunal has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of Net Cost of Operations to Current Year Appropriations Used

	2008	2007
	(in thousands of dollars)	
Net cost of operations	**11,888**	**12,275**
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Services received without charge	(2,392)	(2,446)
Amortization of tangible capital assets	(26)	(21)
Revenue not available for spending	1	1
Vacation pay and compensatory leave	142	(23)
Employee severance benefits	116	(113)
Adjustments of previous year expenses	16	2
Sub-total	**9,745**	**9,675**
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add:		
Tangible capital acquisitions	316	25
Current year appropriations used	**10,061**	**9,700**

(b) Appropriations Provided and Used

Appropriations provided	**2008**	**2007**
	(in thousands of dollars)	
Vote 20—Operating expenditures	9,857	9,081
Statutory amounts	1,122	1,162
Less:		
Lapsed appropriations: operating	(918)	(543)
Current year appropriations used	**10,061**	**9,700**

(c) Reconciliation of Net Cash Provided by Government to Current Year Appropriations Used

	2008	**2007**
	(in thousands of dollars)	
Net cash provided by government	9,748	9,787
Revenue not available for spending	1	1
Sub-total	**9,749**	**9,788**
Change in net position in the Consolidated Revenue Fund		
Increase in accounts receivable and advances	(23)	(194)
Increase in accounts payable and accrued liabilities	319	104
Adjustments of previous year expenses	16	2
Sub-total	**312**	**(88)**
Current year appropriations used	**10,061**	**9,700**

(4) Tangible Capital Assets

(in thousands of dollars)

Cost					Accumulated amortization					
Capital asset class	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2008 Net book value	2007 Net book value
Machinery and equipment	37	-	12	25	26	7	12	21		
Computer equipment	90	316	20	386	48	19	20	47	339	42
Total	127	316	32	411	74	26	32	68	343	53

Amortization expense for the year ended March 31, 2008, is $ 26,198 (2007—$21,352).

(5) Employee Benefits

(a) Pension Benefits

The Tribunal's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Tribunal contribute to the cost of the Plan. The 2007-08 expense amounts to $818,333 ($856,819 in 2006-07), which represents approximately 2.1 times (2.2 in 2006-2007) the contributions by employees.

The Tribunal's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance Benefits

The Tribunal provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2008	2007
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	1,438	1,325
Cost for the year	173	333
Benefits paid during the year	(289)	(220)
Accrued benefit obligation, end of year	**1,322**	**1,438**

(6) Related Party Transactions

The Tribunal is related, as a result of common ownership, to all Government of Canada departments, agencies and Crown corporations. The Tribunal enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Tribunal received services which were obtained without charge from other government departments, as presented below.

(a) Services Provided Without Charge

During the year, the Tribunal received, without charge from other departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Tribunal's Statement of Operations as follows:

	2008	**2007**
	(in thousands of dollars)	
Accommodation	1,891	1,877
Employer's contribution to the health and dental insurance plans	501	569
Total	**2,392**	**2,446**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by the Department of Public Works and Government Services, are not included as an expense in the Tribunal's Statement of Operations.

(b) Payables and Receivables Outstanding at Year End With Related Parties

	2008	**2007**
	(in thousands of dollars)	
Accounts receivable with other government departments and agencies	276	253
Accounts payable to other government departments and agencies	54	9

SECTION IV—OTHER ITEMS OF INTEREST

4.1 Organizational Structure

Under the *CITT Act*, the Tribunal may be composed of up to nine full-time members, including a chairperson and two vice-chairpersons, who are appointed by the Governor in Council for a term of up to five years. Currently, the Tribunal is funded for seven members. The Chairperson is the Chief Executive Officer and is responsible for the assignment of cases to the members and for the management of the Tribunal's workload and resources. The Tribunal is supported by a permanent staff of 77, including members, with the principal officers being:

- the **Secretary**, responsible for relations with the public and parties and the court registry functions of the Tribunal;
- the **Director General of Research**, responsible for the investigative portion of inquiries, including fact-finding relating to trade, economic, commercial and tariff matters;
- the **General Counsel**, responsible for the provision of legal services; and
- **the Director of Corporate Services**, responsible for corporate services.

4.2 Stakeholder Expectations

The Tribunal strived to meet the expectations of a wide range of stakeholders through its annual meeting with the Bench and Bar Committee, composed of a number of lawyers nominated by the Canadian Bar Association, two lawyers with the Department of Justice and a trade consultant invited by the Tribunal. These meetings provided an opportunity for participants to present their views and concerns about the Tribunal's processes and procedures and to propose changes for improvements. For example, a subcommittee on appeals was struck for the purpose of trying to standardize the Tribunal's forms and procedures for appeals to bring them in line with those used in other areas of the Tribunal's mandate. For more information on this subcommittee, please visit the Tribunal's Web site at www.citt-tcce.gc.ca/publicat/index_e.asp#2.

Stakeholder expectations include:

- **Parties**—Litigants include domestic producers, exporters, importers, potential suppliers and consumer groups. They typically want responsive service, the timely processing of cases, information about cases and access to Tribunal files.
- **Counsel**—Lawyers and trade consultants who represent parties want responsive service and access to case files, decisions and staff reports. They also expect the information to be provided to them by the Tribunal in hard copy and electronic format.

- **Governor in Council/Minister of Finance**—As noted above, the Government looks to the Tribunal for reliable economic and trade analysis and advice, usually within compressed time frames, and relies on the Tribunal for the purpose of meeting Canada's trade obligations.
- **Public**—At the highest level, Canada's business sector and its trading partners throughout the world expect a fair and open trading system, and Canadians expect a more competitive Canadian industry in the global trade environment, as well as competitive prices.
- **Suppliers to Federal Government and Government Institutions**—Suppliers expect fair and impartial decisions relating to procurement complaints and recommendations to improve procurement practices.

4.3 List of Legislation Governing the Work of the Tribunal

Canadian International Trade Tribunal Act	R.S.C. 1985 (4th Supp.), c. 47
Customs Act	R.S.C. 1985 (2d Supp.), c. 1
Excise Tax Act	R.S.C. 1985, c. E-15
Energy Administration Act	R.S.C. 1985, c. E-6
Special Import Measures Act	R.S.C. 1985, c. S-15
Special Import Measures Regulations	SOR/84-927
Canadian International Trade Tribunal Regulations	S.O.R./89-35
Canadian International Trade Tribunal Procurement Inquiry Regulations	S.O.R./93-602
Canadian International Trade Tribunal Rules	S.O.R./91-499

4.4 Tribunal Publications

For a complete list of Tribunal publications, please see the Tribunal Web site at www.citt-tcce.gc.ca/publicat/index_e.asp.

4.5 Further Information

Requests for information should be addressed to:

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Canadian International Trade Tribunal
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Ottawa, Ontario
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